# GOVERNMENT OF INDIA
# HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
# LOK SABHA

UNSTARRED QUESTION NO:95
ANSWERED ON:15.11.2007
PURCHASE PREFERENCE POLICY
Jagannath Dr. M.

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

(a) whether the Government has conducted any study to evaluate the efficacy of the Purchase Preference Policy of the Central Public Sector Enterprises;

(b) if so, the details thereof;

(c) whether the Government has any proposal to extend the Purchase Preference Policy; and

(d) if so, the details thereof?

## Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRISONTOSH MOHAN DEV)

(a) to (d): Purchase Preference Policy for Products mid Services of Central Public Sector Enterprises (CPSEs) was reviewed by the Government on 30.6.2005 taking into consideration various aspects as pointed out by various Ministries/ Departments and other organizations in public as well as in private sector. It was decided that the policy may be extended with certain modifications for a further period of three years beyond 31.3.2005 with a sunset clause that it will be terminated with effect from 31.3.2008. Policy guidelines in this regard were issued on 18.7.2005.

The Government again reviewed the Purchase Preference Policy on 25.10.2007 in view of the directions of the Supreme Court of India in (lie case of M/s Caterpillar India Pvt. Limited and Others and reiterated its earlier decision dated 30.6.2005 that the policy will be terminated with effect from 31.3.2008.

The Government also decided that the preferential purchase policies framed for the specific sectors by the concerned Ministries/ Departments within relevant Act of Parliament or otherwise do not come within the purview of the decision mentioned in above para. The concerned Ministries/Departments may independently evolve/review preferential policies for the sectors of their concern, as per their requirement.